FORM MR-AR (Revised 3/98)

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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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1594 West North Temple - Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	General Information			
	1.	Report Time Period: From (mo./yr.) 01/99 To (mo./yr.) 12/99		
	2.	DOGM File Number (Mine No): M/001/045		
	3.	Mine Name: Ruby Violet Mine		
	4.	Mineral(s) Mined (or permitted to mine): Red Beryl		
	5.	Type of mine ☐ Surface Mine or ☐ Underground Mine		
	6.	Legal Description (Location of Lands Affected):		
		NW 1/4, NW 1/4, 1/4, Section 29, Township 29S, Range 14W NE 1/4, NW 1/4, 1/4, Section 29, Township 29S, Range 14W 1/4, NE 1/4, 1/4, Section 30, Township 29S, Range 14W		
7.	Name of Operator or Company: Gemstone Mining Inc.			
	8.	Permanent Street Address: PO Box 3413		
	City, State, Zip: Cedar City UT 84721			
		Phone: 435-867-0318 Fax: 435-867-0321		
	9.	Company Representative (or designated operator):		
		Name: Scott H Wilkinson		
		Title: Vice President Finance & Administration		
		Business Address: PO Box 3413		
		City, State, Zip: Cedar City UT 84721		
		Phone: 435-559-7751 Fax: 435-421-1402		
		Please check if any of the above information has changed since previous year.		
II.	Mining and Reclamation			
	1.	Was there any mine related activity during the past year? Yes ♀ No □		
	2.	If no - what was the last year of activity?		
	3.	If yes - how much ore or mineral was mined? 10,212 tons		

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4.	additional surface disturbances that occu	ned, volume of material moved, and any new or wred during the past year. blasting and excavators,		
	***	is approximately 40,000 tons.		
5.	How much additional acreage was disturbed during the past year?			
6.	How much acreage was reclaimed during	ng the past year?		
7.	Briefly describe the reclamation work pershould include methods employed, and a None	erformed during the past year. This description in evaluation of the results.		
8.	What is the total disturbed acreage of	entire project at years end? Apporx 13 Acres		
9.	Briefly summarize any mining and/or reclamation plans for the upcoming year. We will continue surface mining at the current rate,			
	approximately 40,000 tons for the year 2000. We			
	anticipate no reclamation	n being done this year.		
NOTE:	Section III., "Additional Information" ap	oplies only to <u>large mining operations</u> .		
III. <u>Additional</u>	<u>Information</u>			
1.	 An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached. 			
2.				
IV. <u>Signature</u>	Requirement			
I hereby certify that the foregoing is true and correct.				
	Name (Typed or Print):	Scott H Wilkinson		
	Title of Operator:	Vice President Finance & Admin		
	Signature of Operator:	Dot Mare		
	Date:	January 31, 2000		
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